

NEW ENGLAND POWER COMPANY
D.T.E. 02-33

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
NEW ENGLAND POWER COMPANY

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to New England Power Company (“NEP” or “Company”) the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department and on all parties; also submit two (2) copies of the responses to Jesse S. Reyes, Hearing Officer and one (1) copy each of the other Department staff members listed on the latest distribution list in this proceeding.
8. In addition to filing, all non-proprietary responses are to be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.

INFORMATION REQUESTS

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| DTE-NEP-1-1 | Please provide a complete and detailed description of each of the terms of the agreement to transfer legal and regulatory liabilities associated with Seabrook Station (“Seabrook”) to the buyer, providing citations to the purchase and sale agreement and related documents. |
| DTE-NEP-1-2 | Please provide a complete and detailed description of all legal and regulatory liabilities associated with Seabrook that will remain with the Company after the sale of the unit. |
| DTE-NEP-1-3 | Please provide a list of all other auctions of electric utility generating facilities that have been managed or conducted by J. P. Morgan and list (1) the name of the utility whose assets were sold; (2) the winning bidder(s); (3) the generation capacity in megawatts that was sold; (4) the price paid for that capacity; and (5) the date that the transaction was completed. |
| DTE-NEP-1-4 | Are there any financial or other benefits that may accrue to J. P. Morgan, or its corporate affiliates, subsidiaries, parents, or business partners, as a result of the auction sale of Seabrook? If so, please explain the benefit. |

- DTE-NEP-1-5 Please provide a chart comparing the terms offered by each of the final bidders for Seabrook with the criteria that the Company believed were most important in selecting the winning bid.
- DTE-NEP-1-6 Refer to Testimony of Paul M. Dabbar (May 17, 2002) (“Dabbar Testimony”) at 3, lines 20-21. What criteria were used in selecting J. P. Morgan as the winner of the solicitation process?
- DTE-NEP-1-7 Refer to Dabbar Testimony at 4, lines 10-11. Please produce a copy of the “Participation, Compensation and Indemnity Agreement” entered into by J.P. Morgan.
- DTE-NEP-1-8 Refer to Dabbar Testimony at 6, line 17. Please produce a list of the “requirements for eligibility to participate in the Auction” established by J. P. Morgan.
- DTE-NEP-1-9 Refer to Dabbar Testimony at 8, lines 7-8. Please explain why “bids that were not linked to PPAs would be preferred.”
- DTE-NEP-1-10 Refer to Dabbar Testimony at 13, line 19. Please describe the “adjustment provisions by which the purchase price will be adjusted at the time of closing.” Also include estimates in dollar amounts indicating how much these provisions will be adjusted.
- DTE-NEP-1-11 Refer to Dabbar Testimony at 6 (“JPMorgan provided the [Offering Memorandum] to potential bidders who met the requirements for eligibility to participate in the Auction established by JPMorgan”). Please elaborate on the technical and financial qualifications that potential bidders were required to demonstrate in order to participate in the auction process. Elaborate on the number of bidders involved in the process after the initial solicitation to the final bid process. Also, comment on any potential bidders that were rejected from participating and explain the reasons for this rejection.
- DTE-NEP-1-12 Refer to Dabbar Testimony at 6. Please elaborate on the selection criteria used by J. P. Morgan to identify entities believed to be potential bidders for the initial solicitation process.
- DTE-NEP-1-13 Refer to Dabbar Testimony at 7. Please explain the nature of the confidential questions that invited bidders were allowed to submit. In the

explanation, address the reasons for not allowing the answers to be viewed by all participants.

- DTE-NEP-1-14 Refer to Dabbar Testimony at 7. Please elaborate on the comments submitted by bidders in response to the Prototype Transaction Documents. Also, identify any major concerns expressed by participants regarding the auction process and explain how such concerns were resolved.
- DTE-NEP-1-15 Refer to Dabbar Testimony at 12. Please further describe the negotiation process between the “Negotiating Team” and the buyer. Also, provide reports of the Negotiating Team made to the Selling Owner Committee and produce documentation detailing the input that the Selling Owner Committee gave to the Negotiating Team regarding proposed changes.
- DTE-NEP-1-16 Please provide a comprehensive comparison of liabilities that the Company currently has to the liabilities of the Company under the proposed purchase and sale agreement.
- DTE-NEP-1-17 Refer to Dabbar Testimony at 12. Please provide the “detailed bid analysis” prepared by J. P. Morgan for New Hampshire Public Utilities Commission staff, the Utility Operations and Management Analysis unit, and the Sellers for each binding bid received.
- DTE-NEP-1-18 Refer to Testimony of Terry L. Schwennesen (May 17, 2002) (“Schwennesen Testimony”) at 7. Please provide the rationale supporting NEP’s decision not to purchase power from Seabrook after the sale. In your response, please detail the projections, assumptions and estimates used in reaching this decision, as well provide as all related work papers and schedules.
- DTE-NEP-1-19 Refer to Schwennesen Testimony at 8. Please describe the mechanism by which any excess decommissioning trust funds would be returned to Massachusetts customers.
- DTE-NEP-1-20 Refer to Schwennesen Testimony at 9. Please compare the proceeds received from the sale of NEP’s interest in Seabrook with the book basis of the facilities sold.
- DTE-NEP-1-21 Refer to Schwennesen Testimony at 9. Please provide the tax gain or loss realized from the sale of Canal’s interest in Seabrook.

- DTE-NEP-1-22 Refer to Schwennesen Testimony at 9. Please explain why 100 percent of the net proceeds received from the sale of Seabrook will not be used to reduce customers' bills.
- DTE-NEP-1-23 Refer to Schwennesen Testimony at 7. Will NEP transfer to FPLE Seabrook, at the time of sale, qualified and non-qualified nuclear decommissioning trust funds? If the response is affirmative, please provide the anticipated amount of the funds to be transferred.
- DTE-NEP-1-24 Refer to Schwennesen Testimony at 9. Please describe NEP's responsibilities for future decommissioning costs after the sale of Seabrook to FPLE Seabrook. If this issue is covered in the purchase and sale agreement, please provide a reference to the relevant section in that document.

Dated: June 18, 2002

Jesse S. Reyes, Hearing Officer